THE UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE HONORABLE BOARD OF PATENT APPEALS AND INTERFERENCES

In re the Application of

Keresman, III, et al.

Application No.: 09/488,297	Examiner: Olabode Akintola
Filed: January 20, 2000	Docket No.: PRAZ 2 00001

For: **SECURE AND EFFICIENT
PAYMENT PROCESSING SYSTEM**

BRIEF ON APPEAL

Appeal from Group 3691

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I.   REAL PARTY IN INTEREST

The real party in interest for this appeal and the present application is CardinalCommerce Corporation (formally CardinalCommerce.com, Inc.), by way of an Assignment recorded in the U.S. Patent and Trademark Office at Reel 010617, Frame 0479.

II.   RELATED APPEALS AND INTERFERENCES

In this application, a prior appeal was filed. See the Notice of Appeal filed on or about July 12, 2005 and the corresponding amended Appeal Brief filed on or about December 30, 2005. However, in response to the aforementioned amended Appeal Brief, prosecution of the present application was reopened by patent office. Other than the foregoing, there are no prior or pending appeals, interferences or judicial proceedings, known to Appellant, Appellant's representative, or the Assignee, that may be related to, or which will directly affect or be directly affected by or have a bearing upon the Board's decision in the pending appeal.

III.   STATUS OF CLAIMS

Claims 23, 24, 26-36 and 38-42 are on appeal.

Claims 23, 24, 26-36 and 38-42 are pending.

Claims 23, 24, 26-36 and 38-42 are rejected.

IV.   STATUS OF AMENDMENTS

No Amendment After Final Rejection has been filed.

V.   SUMMARY OF CLAIMED SUBJECT MATTER

A.   _Independent Claim 23_

Claim 23 is directed to a method of processing a transaction carried out over a network between a financial account holder and a participating entity. FIGURE **1** shows a centralized transaction coordinator **10** that administers among other processes an online shopping process **300** wherein buyers or consumers engage in online commercial transactions with merchants or sellers. See page 6, lines 11-26. FIGURE **2** shows the coordinator **10** having a presence on the Internet **50** or another like network. Similarly, a buyer **30** (e.g., a financial account holder) and a seller **20** (e.g., a participating entity) also have access to the network **50** over which the transaction is conducted. See page 6, line 37 through page 7, line 6.

The claimed method (e.g., the online shopping process **300** administered by the coordinator **10**) includes receiving a purchase request of a buyer **30** from the participating entity (e.g., the seller **20**) indicating that the buyer desires to carry out a transaction with the entity, the transaction including the buyer purchasing one or more selected items. FIGURES **6A** and **6B** show more detailed flow charts of two embodiments of the online shopping process **300**. Note, the purchase request **352**, in accordance with the claimed method, is received by the coordinator **10** and is sent from the seller **20**. See page 15, lines 20-29.

The claimed method also includes authenticating the buyer as the financial account holder. FIGURES **6A** and **6B** show the coordinator **10** administering an authentication process **310** and making a related determination **320** whether or not the buyer is the authentic account holder **30**. See page 14, lines 1-10.

Additionally, the claimed method includes establishing transaction fulfillment data, said transaction fulfillment data indicating a delivery destination for the selected items, wherein establishing the transaction fulfillment data includes using a previously obtained destination as the delivery destination for the selected items when an alternate destination is not obtained. FIGURES **6A** and **6B** show the coordinator **10** establishing the transaction fulfillment data at process **360**. FIGURE **6C** shows a more detailed flow chart of an exemplary embodiment of the fulfillment data establishing process **360**.

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Suitably, a user (i.e., buyer and/or account holder) pre-registers (e.g., via process **200** as shown in FIGURES **1** and **4**) with the coordinator **10** before using the online shopping process **300**. During registration **200**, optionally, a default delivery destination is established for the account holder and maintained by the coordinator **10**. See page 16, lines 16-19. For example, as shown in FIGURE **4**, the default delivery destination may be supplied by the account holder **30** to the coordinator **10** along with the account holder registration data **202** or along with the additional account creation data **226**.

In any event, the coordinator **10** at process **360** established the transaction fulfillment data **362** which preferably includes a delivery destination. See page 16, lines 7-10. Moreover, the previously obtained default destination is used to establish the fulfillment data **362** unless an alternate destination is obtained. See page 16, lines 19-25.

Finally, the claimed method further includes:

- communicating the transaction fulfillment data to the participating entity (FIGURES **6A** and **6B** show the transaction fulfillment data **362** being sent from the coordinator **10** to the seller **20** (i.e., the participating entity), see also page 17, lines 16-19);

- receiving transaction details from the participating entity, said transaction details including a cost for the selected items (FIGURES **6A** and **6B** show the transaction details **384** being received by the coordinator **10** from the seller **20** (i.e., the participating entity), see also page 17, lines 26-32 identifying the transaction details **384** as including a cost for the selected items);

- authorizing completion of the transaction and establishing an authorization code therefor (FIGURES **6A** and **6B** show the coordinator **10** administering an authorization process **390** that establishes an authorization code **392**, see also page 17, lines 27-29, page 17, line 35 through 18, line 6, and page 18, lines 12-15); and,

- communicating the authorization code for the transaction to the participating entity (FIGURES **6A** and **6B** show the authorization code

392 being sent from the coordinator **10** to the seller **20** (i.e., the participating entity), see also page 18, lines 20-23).

B.   _Independent Claim 26_

Claim 26 is directed to a method of processing transactions carried out over a network between account holders and participating entities. FIGURE **1** shows a central transaction coordinator **10** that administers among other processes an online shopping process **300** wherein buyers or consumers engage in online commercial transactions with merchants or sellers. See page 6, lines 11-26. FIGURE **2** shows the coordinator **10** having a presence on the Internet **50** on another like network. Similarly, a buyer **30** (e.g., an account holder) and a seller **20** (e.g., a participating entity) also have access to the network **50** over which the transaction is conducted. See page 6, line 37 through page 7, line 6.

The claimed method also includes obtaining restriction instructions from account holders. Suitably, a user (i.e., buyer and/or account holder) pre-registers (e.g., via process **200** as shown in FIGURES **1** and **4**) with the coordinator **10** before using the online shopping process **300**. Upon acceptance of a newly registered account holder, the coordinator **10** creates and maintains a record for the account holder **30**, e.g., on the coordinator's database **14**. See FIGURE **1** and page 11, lines 2-9. The account holder record includes, among other information, account privileges that restrict authorization of transactions in identified circumstances that are set by the account holder **30**. Suitably, the coordinator **10** obtains the restriction instructions or related data that is stored in the coordinator's database **14** by the account holder accessing the coordinator's server **12** over the network **50** and customizing or setting their account privileges as they desire. See page 11, lines10-31.

Additionally, the claimed method also includes:

- receiving a purchase request of a buyer from a participating entity indicating that the buyer desires to carry out a transaction with the entity, said transaction including the buyer purchasing one or more selected items (FIGURES **6A** and **6B** show the purchase request **352** received by the coordinator **10** from the seller **20**, see also page 15, lines 20-29);

- authenticating the buyer as an account holder (FIGURES **6A** and **6B** show the coordinator **10** administering an authentication process **310** and making a related determination **320** whether or not the buyer is the authentic account holder **30**, see also page 14, lines 1-10);

- receiving transaction details from the participating entity, said transaction details including one or more terms for the purchase (FIGURES **6A** and **6B** show the transaction details **384** being received by the coordinator **10** from the seller **20** (i.e., the participating entity), see also page 17, lines 26-32);

- authorizing completion of the transaction and establishing an authorization code therefor (FIGURES **6A** and **6B** show the coordinator **10** administering an authorization process **390** that establishes an authorization code **392**, see also page 17, lines 27-29, page 17, line 35 through 18, line 6, and page 18, lines 12-15); and,

- communicating the authorization code for the transaction to the participating entity (FIGURES **6A** and **6B** show the authorization code **392** being sent from the coordinator **10** to the seller **20** (i.e., the participating entity), see also page 18, lines 20-23).

C.   _Independent Claim 31_

Claim 31 is directed to a method of processing transactions carried out over a network between account holders and participating entities. FIGURE **1** shows a central transaction coordinator **10** that administers among other processes an online shopping process **300** wherein buyers or consumers engage in online commercial transactions with merchants or sellers. See page 6, lines 11-26. FIGURE **2** shows the coordinator **10** having a presence on the Internet **50** on another like network. Similarly, a buyer **30** (e.g., an account holder) and a seller **20** (e.g., a participating entity) also have access to the network **50** over which the transaction is conducted. See page 6, line 37 through page 7, line 6.

The claimed method includes:

- receiving a purchase request of a buyer from a participating entity indicating that the buyer desires to carry out a transaction with the

entity, said transaction including the buyer purchasing one or more selected items (FIGURES **6A** and **6B** show the purchase request **352** received by the coordinator **10** from the seller **20**, see also page 15, lines 20-29);

- authenticating the buyer as an account holder (FIGURES **6A** and **6B** show the coordinator **10** administering an authentication process **310** and making a related determination **320** whether or not the buyer is the authentic account holder **30**, see also page 14, lines 1-10);

- receiving transaction details from the participating entity, said transaction details including a cost for the purchase (FIGURES **6A** and **6B** show the transaction details **384** being received by the coordinator **10** from the seller **20** (i.e., the participating entity), see also page 17, lines 26-32 identifying the transaction details **384** as including a cost for the selected items);

- authorizing completion of the transaction and establishing an authorization code therefor (FIGURES **6A** and **6B** show the coordinator **10** administering an authorization process **390** that establishes an authorization code **392**, see also page 17, lines 27-29, page 17, line 35 through 18, line 6, and page 18, lines 12-15); and,

- communicating the authorization code for the transaction to the participating entity (FIGURES **6A** and **6B** show the authorization code **392** being sent from the coordinator **10** to the seller **20** (i.e., the participating entity), see also page 18, lines 20-23).

Additionally, the claimed authorizing step includes: transmitting the transaction details of the authenticated account holder to a funding source which determines if the account holder has one of sufficient funds on deposit with the funding source or sufficient credit available through the funding source to cover the cost of the purchase. See, e.g., page 17, line 35 through page 18, line 6, and page 18, lines 11-15.

D. _Independent Claim 32_

Claims 32 is directed to method of processing transactions carried out over a network between account holders and participating entities. FIGURE **1** shows a central

transaction coordinator **10** that administers among other processes an online shopping process **300** wherein buyers or consumers engage in online commercial transactions with merchants or sellers. See page 6, lines 11-26. FIGURE **2** shows the coordinator **10** having a presence on the Internet **50** on another like network. Similarly, a buyer **30** (e.g., an account holder) and a seller **20** (e.g., a participating entity) also have access to the network **50** over which the transaction is conducted. See page 6, line 37 through page 7, line 6.

The claimed method includes:

- receiving a request indicating that a buyer desires to carry out a transaction with a participating entity, said transaction including the buyer purchasing one or more selected items (FIGURES **6A** and **6B** show the purchase request **352** received by the coordinator **10** from the seller **20**, see also page 15, lines 20-29);

- authenticating the buyer as an account holder (FIGURES **6A** and **6B** show the coordinator **10** administering an authentication process **310** and making a related determination **320** whether or not the buyer is the authentic account holder **30**, see also page 14, lines 1-10);

- receiving transaction details including one or more terms for the purchasing the selected items (FIGURES **6A** and **6B** show the transaction details **384** being received by the coordinator **10** from the seller **20** (i.e., the participating entity), see also page 17, lines 26-32 identifying the transaction details **384** as including a cost for the selected items);

- authorizing completion of the transaction and establishing an authorization code therefor (FIGURES **6A** and **6B** show the coordinator **10** administering an authorization process **390** that establishes an authorization code **392**, see also page 17, lines 27-29, page 17, line 35 through 18, line 6, and page 18, lines 12-15); and,

- communicating the authorization code for the transaction to the participating merchant (FIGURES **6A** and **6B** show the authorization

code **392** being sent from the coordinator **10** to the seller **20** (i.e., the participating entity), see also page 18, lines 20-23).

The claimed method also includes obtaining settlement information from the participating entity, said settlement information including the authorization code and transaction details for the completed transaction. FIGURE **1** shows a settlement process **400** also administered by the coordinator **10**. See page 6, lines 23-26. FIGURE **7** shows a more detailed flow chart of the settlement process **400**. In particular, FIGURE **7** shows the coordinator obtaining settlement information **402** from the seller **20** for a completed commercial transaction. See page 18, lines 24-27. The obtained settlement information **402** preferably includes the authorization code **392** and the corresponding transaction details **384** for the completed transaction in question. See page 19, lines 9-12.

Additionally, the claimed method includes: confirming that the transaction details corresponding to the authorization code received with the settlement information are within a desired tolerance (see page 19, lines 12-24); and, communicating the confirmed settlement information **402b** to a funding source **40** to effect reimbursement **420** of the participating entity (e.g., the seller **20**) and billing **410** of the account holder **30** (see FIGURE **7** and page 19, lines 25-34).

E.   _Independent Claim 41_

Claim 41 is directed to a system for processing a transaction carried out over a network between a financial account holder and a seller. FIGURE **1** shows a centralized transaction coordinator **10** that administers among other processes an online shopping process **300** wherein buyers or consumers engage in online commercial transactions with merchants or sellers. See page 6, lines 11-26. FIGURE **2** shows the coordinator **10** having a presence on the Internet **50** or another like network. Similarly, a buyer **30** (e.g., a financial account holder) and a seller **20** (e.g., a participating entity) also have access to the network **50** over which the transaction is conducted. See page 6, line 37 through page 7, line 6. The coordinator **10** employs a server **12** and/or database **14** as the means to carry out the various functions of the online shopping process **300**.

The claimed system includes:

- means for receiving a purchase request of a buyer from the seller indicating that the buyer desires to carry out a transaction with the seller, said transaction including the buyer purchasing one or more selected items (FIGURES **6A** and **6B** show the purchase request **352** received by the coordinator **10** from the seller **20**, see also page 15, lines 20-29, and FIGURE **2** shows the coordinator's server **12** interconnected for communication via the network **50** with the seller's server **22** thereby providing the server **12** as the means to achieve the forgoing function);

- means for authenticating the buyer as the financial account holder (FIGURES **6A** and **6B** show the coordinator **10** administering an authentication process **310** and making a related determination **320** whether or not the buyer is the authentic account holder **30**, see also page 14, lines 1-10, and FIGURE **2** shows the coordinator's server **12** interconnected for communication via the network **50** with the buyer's computer **32** thereby providing the server **12** as the means to achieve the forgoing function);

- means for establishing transaction fulfillment data, said transaction fulfillment data indicating a delivery destination for the selected items (FIGURES **6A** and **6B** show the coordinator **10** at process **360** establishing the transaction fulfillment data **362** which preferably includes a delivery destination, see also page 16, lines 7-10, FIGURE **2** shows the server **12** and/or database **14** employed by the coordinator **10** that administers the online shopping process **300** thereby providing the means to achieve the forgoing function, e.g., the server **12** provides for communication with the buyer **30** from which an alternate delivery destination is optionally received (see FIGURE **6C** showing the process **360** administered by the coordinator **10** including an option for delivery destination selection by a buyer, and FIGURE **2** showing the interconnection of the coordinator's server **12** and the buyer's computer **32** via the network **50** for communication therebetween), and the database **14** provides for storage of a default delivery address that may be employed to

establish the transaction fulfillment data (see FIGURE **2** and page 16, lines 16-19 and page 11, lines 2-4));

- means for communicating the transaction fulfillment data to the seller (FIGURES **6A** and **6B** show the transaction fulfillment data **362** being sent from the coordinator **10** to the seller **20**, see also page 17, lines 16-19, and FIGURE **2** shows the coordinator's server **12** interconnected for communication via the network **50** with the seller's server **22** thereby providing the server **12** as the means to achieve the forgoing function);

- means for receiving transaction details from the seller, said transaction details including a cost for the selected items (FIGURES **6A** and **6B** show the transaction details **384** being received by the coordinator **10** from the seller **20**, see also page 17, lines 26-32 identifying the transaction details **384** as including a cost for the selected items, and FIGURE **2** shows the coordinator's server **12** interconnected for communication via the network **50** with the seller's server **22** thereby providing the server **12** as the means to achieve the forgoing function);

- means for authorizing completion of the transaction and establishing an authorization code therefor (FIGURES **6A** and **6B** show the coordinator **10** executing an authorization process **390** that establishes an authorization code **392**, see also page 17, lines 27-29, page 17, line 35 through 18, line 6, and page 18, lines 12-15, and FIGURE **2** shows the server **12** and/or database **14** employed by the coordinator **10** that administers the online shopping process **300** thereby providing the means to achieve the forgoing function); and,

- means for communicating the authorization code for the transaction to the seller (FIGURES **6A** and **6B** show the authorization code **392** being sent from the coordinator **10** to the seller **20**, see also page 18, lines 20-23, and FIGURE **2** shows the coordinator's server **12** interconnected for communication via the network **50** with the seller's server **22** thereby providing the server **12** as the means to achieve the forgoing function).

VI.   GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

The following grounds of rejection are presented for review:

Claims 23, 31, 36, 39, 41 and 42 stand rejected under 35 U.S.C. §103(a) as being unpatentable over U.S. Patent No. 6,456,984 to Demoff, et al. ("Demoff") in view of U.S. Patent No. 5,903,878 to Talati, et al. ("Talati").

Claim 24 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Demoff in view of Talati as applied to claim 23, and further in view of U.S. Patent No. 6,012,045 to Barzilai, et al. ("Barzilai").

Claims 26-30 and 38 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Demoff in view of Talati as applied to claim 23, and further in view of U.S. Patent No. 6,226,624 to Watson, et al. ("Watson").

Claims 32-34 and 40 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Demoff in view of Talati as applied to claim 31, in view of U.S. Patent No. 6,315,193 to Hogan ("Hogan") and further in view of U.S. Patent No. 6,381,587 to Guzelsu ("Guzelsu").

Claim 35 stands rejected under 35 U.S.C. §103(a) as being unpatentable over Demoff in view of Talati in view of Hogan in view of Guzelsu as applied to claim 32, and further in view of U.S. Patent No. 5,657,388 to Weiss ("Weiss").

VII. ARGUMENT

A. *The Combination of Talati with Demoff is Improper and Accordingly the Rejections of Claims 23, 24, 26-36 and 38-42 are Erroneous*

The rejections of the claims are erroneous. The foregoing rejections are all based totally or in part on the combination of Talati with Demoff. Insomuch as this combination is improper, the rejections are erroneous and should be withdrawn.

It is well settled that the initial burden for establishing a *prima facie* case of obviousness rests upon the Examiner. See The Manual of Patent Examining Procedure (MPEP) §2142. The Examiner has not done so in this instance. Again, the MPEP is instructive on this point. Specifically, when making a rejection under 35 U.S.C. §103, the Examiner is required to set forth in the Office Action "the proposed modification of the applied reference(s) necessary to arrive at the claimed subject matter." See MPEP §706.02(j) (C). The Examiner in the present case has not fulfilled this requirement in the Office Action. Rather, the Examiner merely alleges that it would have been obvious to modify Demoff to include the steps as taught by Talati. Nowhere does the Office Action indicate with any specificity how Demoff is to be altered by Talati. That is to say, no modification of Demoff is proposed. Rather, the Office Action merely concludes that it would have been obvious to include the teachings of Talati in the teaching of Demoff. Such a conclusory unsupported allegation does not satisfy the requirements of MPEP §706.02(j) (C). Accordingly, the Office Action does not present a *prima facie* case of obviousness. The rejections of the claims under 35 U.S.C. §103(a) base upon the combination of Talati with Demoff, therefore, are erroneous and should be withdrawn.

Additionally, independent claim 23 recites the step "receiving a purchase request of a buyer from the participating entity indicating that the buyer desires to carry out a transaction with the entity, said transaction including the buyer purchasing one or more selected items." As indicated above, the claimed method (e.g., the online shopping process **300** administered by the coordinator **10**) includes receiving a purchase request of a buyer **30** from the participating entity (e.g., the seller **20**) indicating that the buyer desires to carry out a transaction with the entity, the transaction including the buyer purchasing one or more selected items. FIGURES **6A** and **6B** show more detailed flow

charts of two embodiments of the online shopping process **300**. Note, the purchase request **352**, in accordance with the claimed method, is received by the coordinator **10** and is sent from the seller **20** - not the buyer **30**. See page 15, lines 20-29. Likewise, independent claims 26 (see, e.g., step a), 31 (see, e.g., step b), 32 (see, e.g., step a) and 41 (see, e.g., the means for receiving a purchase request) include similar steps, elements and/or features.

In any event, the Examiner concedes that Demoff does not teach the foregoing. In fact, the Examiner expressly indicates that "Demoff does not explicitly teach receiving a purchase request of the buyer from the seller." See, e.g., page 3 of the Office Action dated 09/07/2007. Rather, the Examiner attempts to remedy this by impermissibly combining Talati with Demoff.

Importantly, according to MPEP §2143.01 (VI), "If the proposed modification or combination of the prior art would change the principle of operation of the prior art invention being modified, then the teachings of the references are not sufficient to render the claims *prima facie* obvious." Combining Talati with Demoff would, in fact, impermissibly change the principle of operation of Demoff. Accordingly, such a combination is inappropriate and the rejections based wholly or in part thereon are fatally flawed.

More specifically, Demoff is directed to system and/or method for providing temporary credit authorizations. Demoff proposes a system wherein a buyer requests from a service provider (presumably equated by the Examiner with the coordinator **10** of the present application) and is issued a temporary credit card number that the buyer then uses to make a specific purchase or transaction. Furthermore, to later identify the buyer, Demoff teaches that a unique personal ID is associated with the transaction when the temporary credit card number is requested by the buyer from the service provider. This unique ID is derived from either a session ID or a telephone number depending on the manner in which the buyer submitted the request for the temporary credit card number to the service provider. Accordingly, without the buyer making the request to the service provider (e.g., via an Internet connection or telephone call), no unique personal ID can be associated with the transaction, insomuch as no session ID or telephone number is established that can later be used to identify the buyer. That is

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to say, without the unique personal ID (which is derived from the Internet session or telephone call between the buyer and the service provider when the buyer requests the temporary credit card number from the service provider), the invention of Demoff would not be able to later identify and/or authenticate the buyer when the transaction was completed. This is a fundamental principle of operation upon which the invention of Demoff relies. Accordingly, any proposed modification of Demoff that changes this principle of operation is inappropriate. That is to say, according to Demoff, the buyer must directly request the temporary credit card number from the service provider, or else, no unique personal ID can be generated.

Nevertheless, the Office Action suggests combining Talati with Demoff. In particular, the Office Action states that "Talati teaches receiving a purchase request of the buyer from the seller." However, this is a selective reading of Talati, and the teaching is taken out of context. What Talati in fact teaches is that the buyer (i.e., originator) provides the seller (i.e., recipient) a transaction request that includes a credit card or account number (i.e., originator ID or OID) and in turn the recipient relays the request to the transaction administrator. Moreover, the buyer later validates the transaction using a unique transaction identifier (UTID) that they provided with the request. Accordingly, for the seller to provide the transaction request to the transaction administrator, the seller must first be provided the actual credit card or account number of the buyer. This is precisely the type of thing Demoff is attempting to guard against by issuing temporary credit card numbers in the first place. Consequently, modifying Demoff so that it employs the transaction request taught by Talati frustrates the very purpose and/or goal of the Demoff invention and in fact impermissibly changes the principle of operation of Demoff. Such a combination is clearly proscribed by MPEP §2143.01(V).

Moreover, to the extent that when Demoff is so modified such that the service provider would now be receiving the alleged purchase request from the seller, then this eliminates the need for the buyer to make a direct request from the service provider, and accordingly, no session ID or telephone ID is obtained by the service provider from which a unique personal ID can be derived for later identifying and/or authenticating the buyer at the time the transaction is completed. In essence, such a modification would
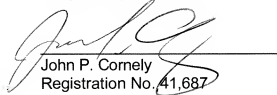
render the invention of Demoff inoperable and/or unsatisfactory for its intended purpose. According to MPEP §2143.01(V), such modifications are also simply impermissible.

Therefore, insomuch as all the claim rejections rely at least in part on the improper combination of Talati with Demoff, it is respectfully submitted that the rejections are fatally flawed and that in fact the claims define patentably over the prior art. More specifically, insomuch as it is improper to combine Talati with Demoff and Demoff otherwise admittedly fails to teach all the claimed elements (e.g., "Demoff does not explicitly teach receiving a purchase request of the buyer from the seller"), then it is respectfully submitted that the claims distinguish patentably over the art.

CONCLUSION

For all of the reasons discussed above, it is respectfully submitted that the rejection(s) are in error and that the claims are in condition for allowance. For all of the above reasons, Appellants respectfully request this Honorable Board to reverse the rejection(s) of claims 23, 24, 26-36 and 38-42.

Respectfully submitted,

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Filed: April 22, 2008

APPENDICES

VIII. CLAIMS APPENDIX

Claims involved in the Appeal are as follows:

1-22. (Cancelled).

23. (Previously Presented)   A method of processing a transaction carried out over a network between a financial account holder and a participating entity, said method comprising the steps of:

(a)   receiving a purchase request of a buyer from the participating entity indicating that the buyer desires to carry out a transaction with the entity, said transaction including the buyer purchasing one or more selected items;

(b)   authenticating the buyer as the financial account holder;

(c)   establishing transaction fulfillment data, said transaction fulfillment data indicating a delivery destination for the selected items, wherein establishing the transaction fulfillment data includes using a previously obtained destination as the delivery destination for the selected items when an alternate destination is not obtained;

(d)   communicating the transaction fulfillment data to the participating entity;

(e)   receiving transaction details from the participating entity, said transaction details including a cost for the selected items;

(f)   authorizing completion of the transaction and establishing an authorization code therefor; and,

(g)   communicating the authorization code for the transaction to the participating entity.

24. (Original)   The method according to claim 23, wherein establishing the fulfillment data further includes:

obtaining an alternate destination from the buyer, said alternate destination being different from the previously obtained destination;

transmitting a security question to the buyer;

receiving a response to the security question from the buyer; and,

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using the alternate destination as the delivery destination for the selected items when the response to the security question is accurate.

25.   (Cancelled).

26.   (Previously Presented)   A method of processing transactions carried out over a network between account holders and participating entities, said method comprising the steps of:

(a)   obtaining restriction instructions from account holders;

(b)   receiving a purchase request of a buyer from a participating entity indicating that the buyer desires to carry out a transaction with the entity, said transaction including the buyer purchasing one or more selected items;

(c)   authenticating the buyer as an account holder;

(d)   receiving transaction details from the participating entity, said transaction details including one or more terms for the purchase;

(e)   authorizing completion of the transaction and establishing an authorization code therefor; and,

(f)   communicating the authorization code for the transaction to the participating entity.

27.   (Previously Presented)   The method according to claim 26, wherein said restriction instructions block authorizing the completion of transactions with participating entities identified in the restriction instructions.

28.   (Original)   The method according to claim 26, wherein said restriction instructions block authorizing the completion of recurring transactions which are not separately participated in by the account holder from whom the restriction instructions were obtained.

29.   (Previously Presented)   The method according to claim 26, wherein authorizing completion of the transaction includes comparing a cost of the

selected items to a threshold such that if the cost is less than or equal to the threshold authorization is given and if the cost if greater than the threshold authorization is denied.

30.　(Previously Presented)　The method according to claim 29, wherein the threshold represents an amount selected from a group consisting of funds on deposit for the account holder, credit available to the account holder, and a value set via the obtained restriction instructions.

31.　(Previously Presented)　A method of processing transactions carried out over a network between account holders and participating entities, said method comprising the steps of:

(a)　receiving a purchase request of a buyer from a participating entity indicating that the buyer desires to carry out a transaction with the entity, said transaction including the buyer purchasing one or more selected items;

(b)　authenticating the buyer as an account holder;

(c)　receiving transaction details from the participating entity, said transaction details including a cost for the purchase;

(d)　authorizing completion of the transaction and establishing an authorization code therefor, wherein authorizing completion of the transaction and establishing an authorization code therefor includes:

transmitting the transaction details of the authenticated account holder directly to a funding source which determines if the account holder has one of sufficient funds on deposit with the funding source or sufficient credit available through the funding source to cover the cost of the purchase; and,

receiving the authorization code from the funding source; and,

(e)　communicating the authorization code for the transaction to the participating entity.

32. (Previously Presented) A method of processing transactions carried out over a network between account holders and participating entities, wherein said method comprises:

(a) receiving a request indicating that a buyer desires to carry out a transaction with a participating entity, said transaction including the buyer purchasing one or more selected items;

(b) authenticating the buyer as an account holder;

(c) receiving transaction details including one or more terms for the purchasing the selected items;

(d) authorizing completion of the transaction and establishing an authorization code therefor;

(e) communicating the authorization code for the transaction to the participating merchant;

(f) obtaining settlement information from the participating entity, said settlement information including the authorization code and transaction details for the completed transaction;

(g) confirming that the transaction details corresponding to the authorization code received with the settlement information are within a desired tolerance; and,

(h) communicating the confirmed settlement information to a funding source to effect reimbursement of the participating entity and billing of the account holder.

33. (Previously Presented) The method according to claim 32, wherein obtaining the settlement information includes automatically capturing the settlement information from the participating entity upon an indication of delivery of the selected items.

34. (Previously Presented) The method according to claim 32, wherein step (b) precedes step (a).

35.   (Previously Presented)   The method according to claim 32, wherein authenticating the buyer as an account holder includes:

synchronizing a token with a periodically changing non-predictable code;

providing the account holder with the token, said token displaying the periodically changing non-predictable code;

receiving a code communicated by the buyer; and,

comparing the received code with the periodically changing non-predictable code to authenticate the buyer as the account holder when the received code matches the periodically changing non-predictable code.

36.   (Previously Presented)   The method according to claim 23, wherein the transactions are at least partially carried out over a public network.

37.   (Cancelled).

38.   (Previously Presented)   The method according to claim 26, wherein the transactions are at least partially carried out over a public network.

39.   (Previously Presented)   The method according to claim 31, wherein the transactions are at least partially carried out over a public network.

40.   (Previously Presented)   The method according to claim 32, wherein the transactions are at least partially carried out over a public network.

41.   (Previously Presented)   A system for processing a transaction carried out over a network between a financial account holder and a seller, said system comprising:

means for receiving a purchase request of a buyer from the seller indicating that the buyer desires to carry out a transaction with the seller, said transaction including the buyer purchasing one or more selected items;

means for authenticating the buyer as the financial account holder;

means for establishing transaction fulfillment data, said transaction fulfillment data indicating a delivery destination for the selected items;

means for communicating the transaction fulfillment data to the seller;

means for receiving transaction details from the seller, said transaction details including a cost for the selected items;

means for authorizing completion of the transaction and establishing an authorization code therefor; and,

means for communicating the authorization code for the transaction to the seller.

42.   (Previously Presented)   The system according to claim 41, wherein the transactions are at least partially carried out over a public network.

IX.   EVIDENCE APPENDIX

Appellant, Appellant's representative, and/or the Assignee are aware of no evidence submitted under 37 CFR §§1.130, 1.1331, or 1.132 or of any other evidence entered by the Examiner and relied upon by the Appellant in the present appeal. Accordingly, the remainder of this page has been intentionally left blank.

X.   RELATED PROCEEDINGS APPENDIX

Appellant, Appellant's representative, and/or the Assignee are aware of no related proceeding in connection with this matter. Accordingly, the remainder of this page has been intentionally left blank.